

**STATE OF RHODE ISLAND
OFFICE OF THE GENERAL TREASURER
STATE HOUSE, ROOM 102
PROVIDENCE, RHODE ISLAND 02903
(401) 222-2397
(401) 222-6140 (Facsimile)**

**REQUEST FOR QUALIFICATIONS
TO PROVIDE SECURITIES LITIGATION LEGAL SERVICES TO
THE RHODE ISLAND STATE INVESTMENT COMMISSION**

Issued April 14, 2008

PROPOSALS DUE BY 4:00 P.M., MAY 9, 2008

Address to:

Mark A. Dingley, Chief of Staff/ Chief Legal Counsel
State of Rhode Island
Office of the General Treasurer
State House, Room 102
Providence, RI 02903

I. Introduction and General Information

The State of Rhode Island State Investment Commission (“SIC”) is requesting that law firms provide qualifications to provide securities litigation legal services to the State of Rhode Island State Investment Commission. The SIC is soliciting requests for qualifications from outside legal counsel with significant experience and expertise in evaluating, monitoring and/or carrying out securities class action litigation. The SIC seeks to monitor and potentially participate in securities class actions and other litigation where appropriate to safeguard the interests of the State Investment Commission and the Employees’ Retirement System of Rhode Island.

Accordingly, the SIC wishes to engage one or more legal firms to provide the services detailed below. Interested firms are asked to submit qualifications outlining their ability to serve in the dual role of monitoring/evaluation counsel and litigation counsel.

The SIC reserves the right to reject any and all proposals with or without cause and to accept the qualifications it considers most favorable to the SIC. The SIC also reserves the right to further negotiate the terms of any proposed engagement, including the fees to be charged the SIC.

The SIC is not liable for any cost incurred in replying to this Request for Qualifications or in connection with any negotiation relating to this Request for Qualifications. The SIC will retain all proposals and related material.

A review committee will make objective comparisons among the qualifications submitted. The committee’s recommendations will be presented to the SIC. It is anticipated that one or more firms will be selected.

II. Qualification Requirements

Applicants must have at least five (5) years experience in providing legal services on behalf of the public pension funds or other institutional investors, in the area of securities class action claims arising under federal securities law and regulation, including representation of at least one (1) public fund with assets in excess of \$1 billion.

III. Background Information

The General Assembly created the State Investment Commission (the “SIC”) in 1958. The SIC manages a diversified investment portfolio valued at approximately \$8 billion dollars for the exclusive benefit of participants of the several retirement and pension systems for state employees, teachers, employees of participating municipalities, state police and judges. The Employees’ Retirement System of Rhode Island (the “System”) is a separate and distinct entity responsible for the administration of this cost-sharing, multiple-employer public pension plan and provides the members with retirement, disability, and survivor benefits.

The nine-member State Investment Commission is responsible for the investment of the funds within the SIC’s control. The current composition of the commission can be found in R.I.G.L. section 35-10-1. The Rhode Island General Treasurer serves as ex-officio chairperson of the Commission. The day-to-day administration of the Commission is carried out by the Office of the General Treasurer.

IV. Scope of Services

A. Monitoring and Evaluation

The scope of services provided shall include, but is not limited to, monitoring of: Securities and Exchange Commission (SEC) filings, media reports, pertinent web sites and pertinent securities class action filings. When the successful monitoring firm, or firms, determines that an event which may be of interest to the SIC has occurred with regard to a particular security, it shall examine, and work with the Office of the General Treasurer and custodian bank to determine whether the System has sustained losses during the relevant time period, and evaluate whether the matter has merit and is worthy of further investigation. The firm shall report its findings directly to the Office of the General Treasurer which may, after review of the firm’s findings and recommendations: (a) request the firm to investigate further; or (b) direct the firm to take no further action on the matter.

B. Investigation and Recommendations

Should the Office of the General Treasurer request further investigation and analysis of a matter, the firm shall report its findings and recommendations as to the System's participation. Participation may include, but is not limited to:

- Filing an action;
- Seeking lead or co-lead plaintiff status;
- Actively monitoring each matter if it has been determined that the matter has merit;
- As a member of the class, reviewing and commenting on motions prepared by lead counsel and participating in settlement discussions when permitted by the parties or the court;
- Withdrawing as a member of the class and bringing an independent action on behalf of the System; and/or
- When the System is a member of the class, coordinate activities with the custodian bank, or investment manager, to assure that the System's interests are protected.

C. Fees

No compensation or retainer will be paid to any firm selected for the SIC's pool of securities litigation firms. If a firm is engaged to take formal legal action, the firm must agree to be retained on a contingency fee basis for such representation, and agree to advance all expenses incurred in the litigation. All fees, costs and expenses incurred in such litigation will be paid solely from recoveries, if any, achieved in the litigation in which the selected firm is representing the System. If the System elects to proceed with litigation and determines that the System's best interests are served by retaining additional local counsel to represent the System, any fees or expenses payable to local counsel will be paid solely from recoveries, if any, achieved in the litigation. The General Treasurer and the SIC reserve the right to negotiate the terms of engagement, including contingency fees and costs to be charged to the SIC and/or the System.

V. Submission of Proposals

A. Closing Date and Place to Submit Proposals

Written proposals offering to provide the requested services must be either hand delivered or received via regular mail or overnight delivery to the Office of the General Treasurer located in the State House, Room 102, Providence, Rhode Island 02903, between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday, State holidays excluded. **Proposals must be received no later than 4:00 p.m. EST on Friday, May 9, 2008, to be considered.** This deadline will be strictly enforced. The General Treasurer accepts no responsibility for lost and/or late delivery of proposals.

Proposals should be addressed to:

Mark A. Dingley
Chief of Staff/ Chief Legal Counsel
State of Rhode Island
Office of the General Treasurer
State House, Room 102
Providence, RI 02903

Each proposal package will be date stamped when received. Proposals that arrive late for any reason whatsoever, including delay beyond the control of the proposer, may be returned unopened to the proposer.

B. Sealed Proposal Envelope

Proposers shall submit four (4) copies of the proposal in a sealed envelope(s).

C. Preparation of Proposal

Each proposal must conform to the requirements of this Request for Qualifications.

D. Submission of Written Questions

Questions regarding the information presented in this Request for Qualifications must be received **in writing** via facsimile transmission at (401) 222-6140 to the attention of Mark A. Dingley, Chief of Staff/Chief Legal Counsel, or by email to mdingley@treasury.ri.gov **no later than 4:00 p.m. EST on Friday, May 2, 2008.**

VI. Contents of Proposal

Proposals should be designed so as to cover the content required by this Request for Qualifications.

A. Cover Letter

The proposal must be accompanied by a cover letter, which will be considered an integral part of the proposal package, dated and signed by the individual or individuals authorized to bind the proposer contractually. The cover letter must indicate that the signer is so authorized, and must indicate the title or position the signatory holds in the proposing firm. An unsigned proposal will be rejected. **The letter must also contain the following:**

A statement from the Firm Managing Partner or Chief Executive Officer certifying that (i) no member of your firm made inquiries with respect to this

Request for Qualifications other than in written communication as outlined in this Request for Qualifications from the date of this Request for Qualifications through the date of your proposal and (ii) that all information in your proposal is true and correct to the best of his/her knowledge.

B. Firm Specific Information (5 page maximum)

1. Provide your firm's complete name, address, telephone and fax numbers, and e-mail address. Include the name of your proposed primary and backup contacts and the principal location from which the work will be done.
2. Briefly describe your firm's background, history, and ownership structure, including any parent, affiliated or subsidiary company, and any business partners. Include the total number of attorneys, location of the firm's offices, and number of attorneys specializing in securities litigation class actions and independent securities fraud litigation. Also include a description of the firm's plan for future growth and development generally and in these areas specifically.
3. Do portfolio monitoring and securities litigation represent your firm's principal lines of business from both a business focus and source of revenue perspective? If not, describe the other representative areas of concentration for you firm.
4. Provide an organization chart of your firm and describe the relationship between each component and your portfolio monitoring and securities litigation group.
5. Describe your firm's experience and qualifications in representing public pension plans in the areas of portfolio monitoring and securities litigation. Also describe at least three (3) instances of representing public retirement systems or corporate pension plans in securities litigation class actions and independent securities litigation.
6. Within the past three (3) years, have there been any significant developments in your organization such as changes in ownership, restructuring, or personnel reorganizations? Do you anticipate significant changes in your organization in these areas within the next three (3) years?
7. Within the past five (5) years has your organization, or any of its officers, partners, employees, shareholders, or principals been a defendant in any litigation, the subject of criminal investigation and/or indictment or other legal proceedings relating to your portfolio monitoring or securities litigation activities? Include any investigations, suspension or debarment proceedings by the SEC. If so, provide an explanation and indicate the current status or disposition.
8. Describe the levels of coverage for malpractice insurance, fidelity insurance, and any other fiduciary or professional liability insurance your firm carries. Is the coverage on a per client basis, or is it applied to the firm as a whole?

9. Does your firm have a written code of conduct or ethics in addition to the ABA and State Codes? If so, how is it distributed, monitored and enforced?
10. Within the past five (5) years has your firm, or any of its officers, partners, principals, agents or employees who will be expected to perform services under this RFQ been disciplined, admonished, warned, or had any license, registration, charter, certification, or any similar authorization to engage in a profession, suspended or revoked for any reason? If so, please describe the situation, the penalty and what steps your firm took regarding the situation.
11. How does your firm interact with institutional clients? How does your firm interact with an institutional client's legal staff? How does your firm interact with institutional client boards? Who manages these relationships?
12. Does your firm offer training or educational opportunities in the area of portfolio monitoring as well as securities litigation to plan fiduciaries and staff? If so, describe the type of training or educational opportunities available.
13. Provide three (3) references, who are pension fund clients, preferably public pension fund clients, for whom work similar to that requested in this RFQ has been performed. Include the name, title, organization name, address and telephone number of each person the SIC may contact.
14. Describe your firm's diversity policies and practices. Describe the affirmative action programs undertaken by your firm and the number and percentage of minorities and women who are either partners or associates in your firm.
15. Discuss how your firm deals with professional ethics in connection with representation of clients. What does the firm do to ensure that there are no conflicts of interest? What process do you maintain so as to provide a consistent high standard of professional ethics?
16. Indicate all cases in which your firm was dismissed as legal counsel to governmental agencies or private entities with respect to representation similar to the one called for in this Request for Qualifications. Please list the reason for such dismissal.
17. List any books or publications that members of your firm have written that would be of interest to the Commission.
18. Please certify that the firm is in compliance with Title 17, Chapter 27 of the Rhode Island General Laws with respect to the reporting of any contributions made to a candidate for public office in the State of Rhode Island.

C. Portfolio and Securities Litigation Monitoring (3 page maximum):

1. Describe your firm's ability to monitor all class action securities litigation and to assist the custodian bank in filing proof of claims.
2. Does your firm presently, or has it in the past, worked with State Street Bank as the Custodian Bank when monitoring potential securities fraud claims for another institutional or governmental client.
3. Describe the methods and procedures your firm would use to monitor, identify, evaluate, and bring to the SIC/System's attention potential securities fraud claims arising from a loss in the value of the System's securities holdings, including how your firm would distinguish for the SIC the relative merit and strengths of various claims and the degree to which the value of the System's securities portfolio may have suffered a loss.
4. Describe the resources your firm utilizes to identify possible claims and actions.
5. Describe the process your firm has in place to receive the SIC/System's securities transactions history and establish a database with this information.
6. Describe your firm's experience working with custodians and claim administrators and resolving issues with both.
7. Describe how your firm uses non-legal professional staff or independent consultants in performing its monitoring and securities litigation services.
8. Fully describe the extent and involvement your firm would require the SIC/System's staff to have in the monitoring of the System's portfolio and in the evaluation and decision process for any securities litigation matters.

D. Litigation Services (5 page maximum):

1. A brief description of the firm's understanding, knowledge, and experience in evaluating and/or carrying out securities class action litigation.
2. The identity and experience of the individual attorney or attorneys who will be providing services under the contract including, if known, who will serve as lead counsel.
3. Fee proposal, including:
 - a) Confirmation that services provided for monitoring and evaluating will be carried out at no cost to the System;
 - b) Any range of contingency fees that may reflect differences in
 - i. timing of a settlement;

- ii. size of settlement;
 - iii. complexity of the case;
 - iv. other factors believed to be applicable; and
 - v. other alternatives to a contingency fee arrangement the firm would like considered.
- 4. Task or project specific legal services requested by the System that may come outside the proposed scope of either “evaluation counsel” or “litigation counsel.” Please give the proposed hourly billing rate for each attorney named in the proposal, including any discounts the firm is willing to offer the SIC/System from its standard rates for other attorneys or groups of attorneys (i.e., partners, senior associates, etc.) not expressly listed.
- 5. The existence of any possible conflicts of interest, including any lawsuits and disputes where the firm represents interests adverse to the SIC/System or the State of Rhode Island or any of its agencies or components.
- 6. Describe your firm’s approach to representing clients in complex securities litigation, including case evaluation, management, monitoring, how the firm assigns attorneys and support staff to a litigation matter, communicating with the client, the firm’s expectations of the client, interaction with opposing counsel, discovery, trial preparation, settlement approach, utilization of experts and consultants, document management, etc.
- 7. Describe the criteria, rating system or other mechanism used by your firm to determine an institutional investor’s potential benefit from pursuing a securities litigation lawsuit or lead plaintiff status. What threshold, if any, must be reached or is suggested for a suit or lead plaintiff status to be pursued?
- 8. What factors will you consider in deciding whether or not to recommend that the SIC/System pursue an option other than lead plaintiff?
- 9. As lead counsel, how would you allocate workload among your firm’s resources? What is the lead plaintiff’s role in these decisions?
- 10. Describe the resource expectations, including staff time and other resources, you expect the SIC/System will have to commit if appointed lead plaintiff under your proposal.
- 11. Describe how direct and indirect costs may be incurred by the SIC/System, including but not limited to staff time, travel, copying charges, etc. when gaining lead plaintiff status.
- 12. Describe how costs incurred by the SIC/System, including but not limited to staff time, travel, etc., in pursuing a lawsuit or lead plaintiff status are reimbursed, and when such reimbursement should be expected.
- 13. If local counsel is deemed advisable by the System to assist with its workload requirements, describe how you would propose that local counsel be compensated.

VII. Evaluation and Selection Process

The primary objective of the evaluation process will be to secure compatible, highly skilled, diligent, responsive, professional, and experienced attorneys and personnel who will provide quality legal services to the SIC/System at a competitive rate. The evaluation process will be structured to select a firm that clearly demonstrates:

- A thorough understanding of the scope of the engagement and the specific contract responsibilities
- An effective work plan that covers the proposed services
- Adequate resources to handle both the anticipated assignments and any extenuating circumstances that may arise during the contract period
- An untainted reputation for providing quality legal services
- Competitiveness in terms of billing rates and other related charges

During the evaluation process, the firm's personnel that would be assigned to this proposed engagement may be asked to provide written clarification of any part of the proposal. The General Treasurer reserves the right to negotiate additions, deletions, or modifications to the terms of the proposed engagement, including the fees proposed by the responding firm. A recommendation for awarding a contract to a responding firm will be contingent on the General Treasurer's ability to obtain satisfactory business terms. If a contract is awarded, the award will be made to the firm whose proposal conforms to the conditions and requirements of this Request for Qualifications and whose proposal is, in the judgment of the General Treasurer, the most beneficial to the Commission.

The General Treasurer reserves the right to accept or reject any or all proposals submitted, or any part thereof, to waive or not waive any immaterial technicality or irregularity, deviation, or defect in a proposal, or to cancel or withdraw this Request for Qualifications at any time, whenever it would be in the best interest of the Commission to do so. The General Treasurer's waiver of an immaterial deviation or defect shall in no way modify the Request for Qualifications or excuse the proposer from full compliance with the requirements of the Request for Qualifications. The lowest priced proposal may not necessarily be the chosen proposal. Issuance of this Request for Qualifications, or a proposer's preparation and submittal of a proposal, or subsequent participation in presentations or contract negotiations, creates no obligation on the General Treasurer to award a contract or to pay any costs incurred in the preparation of, or associated in any way with a proposal.

Proposals that contain false or misleading statements, or that provide references that do not support an attribute or condition claimed by proposer, may be rejected.

Any unauthorized contact with any member of the proposal evaluation team, Commission members, Commission staff, vendors, or consultants currently rendering services to Commission, may disqualify the proposer from further consideration.

Nothing in this RFQ or any resulting contract shall preclude the General Treasurer from purchasing services similar to those described herein from other sources.

NOTE: The General Treasurer reserves the right to terminate the contract with legal counsel if the General Treasurer determines that legal counsel is not rendering the appropriate services or if there is a change in the status of key partners or associates of the firm.